

3/7/58

CONFIDENTIAL

Delay Axtator
Silence Delay

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In reply, please address:

#3

March 3, 1958

Dear Sir:

Your representative indicated to [redacted] of our staff during a meeting in your office on February 10, 1958, that you were desirous of continuing the research under Task Order J. In our letter of January 17, 1958, we outlined a suggested approach for additional research. The estimated cost for the additional research was \$10,600, including the fixed fee of \$600.

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In the meeting referenced above, your representative stated that he did not feel that you could include an amount for the fixed fee in the proposed extension amendment. We, of course, feel that we definitely are entitled to the fixed fee requested in our letter of January 17, 1958. However, in the interest of reinitiating this specific research at the earliest possible date, and its extremely important and sensitive nature, we will consent in this case to waive the request for the fixed of \$600. A cost breakdown representing this revised basis is enclosed.

Of course, our consent to this continuation of the research under Task Order J on a no-fee basis is not intended to establish a precedent for any of our other research, and any continuation of this or other programs will be on our standard basis.

We will look forward to an early receipt of an amendment to Task Order J providing for the continuation of the research on the basis outlined herein.

Very truly yours,

[redacted]
VICE PRESIDENT

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Proposal of [] to the U.S. Government.
For Research on the further development of a silicon-fluid, time-delay mechanism.

Based upon a period-basis Contract for a research period of seven months.

(Including time for submission of all reports. The proposed contract will not provide for earlier conclusion of the research.)

ESTIMATED COSTS

We expect that the cost of this research for the period indicated above may be distributed approximately as set forth hereon, subject to the understanding that this allocation is merely an estimate, and actual costs incurred may vary from the categories shown. We have determined that these estimates are reasonable and consistent with established policies in its research for the various Government agencies, which policies are briefly discussed below and will be followed in determination of our actual cost hereunder.

Materials & Supplies, etc.

(Including any equipment which may be purchased as necessary in performance of the research. Charges of \$25 or less are excluded from this item.)

\$ 500

Use of Equipment and Technical Services, Travel, and Misc.

(Including applicable costs of technical research and service divisions, and use of technical equipment, except that any undistributed balances of these accounts will be included in overhead. Cost of travel includes reasonable actual subsistence expenses and the actual cost of transportation. An allowance of up to 8¢ per mile for all necessary travel by privately owned conveyance is included in lieu of the cost of such travel.)

1,300

Salaries & Wages

(Including our predetermined accrual for vacation, holiday, and sick-leave pay, pensions, and social security.)

Type of Employee	No. of Man-Months	Estimated Cost
Supervision	1/2	\$ 500
Research Engineers	4	2,800
Lab. Assistants	4	1,640
Steno., Clerical, Shop & Photo., etc.	1	315
Total Salaries & Wages		

5,255

Overhead

56 per cent of salaries and wages, as they are defined above. Provisional monthly reimbursement will be at the rate of 52 per cent of salaries and wages, as so defined, or at such other provisional rate as may from time to time be mutually agreed upon with the Government's audit representatives. This is a provisional rate for current reimbursement, which we have arrived at by negotiation with Government representatives, and it will be subject to retroactive revision to the "actual" rate agreed upon with them for each calendar year following a detailed audit for that year. The item of overhead includes general research, charges of \$25 or less for materials and supplies, and other categories of costs we customarily include in our overhead account. Cash discounts on all purchases will be credited to overhead, instead of to the amount of the purchase. Scrap of appreciable value will be credited directly to the project. All other scrap will be credited to the overhead account, in which the Government participates.)

2,945

Total Estimated Cost \$10,000

Fixed Fee

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*Please let us have your acceptance in our hands by March 31, 1958. Contract Price \$10,000
Unless we extend the time, your acceptance after that date will be subject to agreement.

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